

CONSIDERATIONS  
ON THE  
ATTEMPT  
OF THE  
EAST-INDIA COMPANY  
TO BECOME  
MANUFACTURERS  
IN  
*GREAT-BRITAIN.*

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THE UNIVERSITY OF CHICAGO

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AN INDEPENDENT COMMISSION

REPORT

ON THE

UNIVERSITY OF CHICAGO

1912

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# CONSIDERATIONS,

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**G**RANTS of exclusive privileges in trade and commerce to a part of the subjects of any country, are manifest infringements on the rights of the whole, and ought to be tolerated only on the most plausible views of advantage to the community where they are permitted to exist. Great precaution should therefore be taken to restrict such monopolies to the avowed objects of their operation, and to prevent, as much as possible, the noxious tendencies they discover, from contaminating that vital principle which animates the intercourse of the commercial world—free and open competition.

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Among the instances in which the legislature of our own country has thought it expedient to limit this general right, in favour of particular corporations, the East-India Company is of the most conspicuous magnitude.

*Zamboni*

When it is considered that this Company has been fostered into growth and opulence by the unsuspecting generosity of public encouragement, its conduct will appear both ungrateful and unjust in

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deviating from its proper sphere of action, by trying experiments on branches of trade and manufacture, palpably inconsistent with the legal and prescribed plan of its institution. It is also obvious, that experiments of the kind, whether prompted by the wanton fulness of wealth, or the eager desperation of resource, must, if rashly and injudiciously conceived, be mischievous in proportion to the bulk and influence of the power by which they are patronised and put in motion. The genuine principles of commerce will therefore be elucidated and supported, and the interest of the community not inconsiderably advanced, by the spirit and perseverance of those individuals who shall expose the fallacy, and obstruct the progress of a scheme of monopoly, at once illegal in itself, unpromising in point of advantage to the Company, and grossly injurious to a respectable part of the mercantile world.

Actuated by these fair and intelligible motives, the following facts, and statement of the differences which at present subsist between THE HON. EAST-INDIA COMPANY and THE SILK TRADE, are submitted, with confidence, to the public opinion.

The Silk Trade has been long distinguished for the support and employment which it has administered to the revenue and the manufactures of this country.

These advantages are happily not confined to the necessity of our own imports: the extensive demand for British commodities at the Italian market, turns the balance of that trade greatly in our favour.

Large

Large cargoes of fish, in particular, are sent thither from Newfoundland, and the coasts of Cornwall and Norfolk; and thus the traffic which brings to our ports the silk of Italy, forms a nursery for seamen, of no final value and importance to our maritime establishment.

A considerable part of the silk thus imported, after being thrown by a peculiar process, is called ORGANZINE\*. The superior staple and richness of this material have always occasioned a decided *preference* of its use, in the most important branches of the weaving business; while at the same time the various *private* capitals employed by the respective merchants in the trade, have given every advantage of *credit* and *competition* to the manufacturer. This preference has by no means hindered the consumption of THE SILKS IMPORTED BY THE EAST-INDIA COMPANY FROM BENGAL. These silks, being indeed

\* The art of throwing silk into organzine, in which the natives of Italy are exceedingly skilful, was first brought into this country by Sir Thomas Lombe, who, for making it public, received from Parliament a reward of £ 10,000.

The process consists of six different operations:—The silk is first wound from the skein upon bobbins; it is then sorted; thirdly, it is spun or twisted on a mill in the single thread; fourthly, two threads thus spun are doubled, or drawn together through the fingers of a woman, who at the same time cleans them by taking out the flubs which may have been left in the silk by the negligence of the foreign reeler; fifthly, it is thrown on a mill, or these two threads are twisted together either slack or hard, as the manufacture may require, and it is wound at the same time in skeins upon a reel; sixthly, these skeins are sorted according to their different degrees of fineness, and then the process is complete. It may be further observed, that, where the second operation of spinning in the single thread is omitted, the silk is called TRAM; and it is SINGLE, if the woman who performs the fourth operation, cleans the silk in the single thread, and leaves it in that state.

comparatively of inferior quality, are not considered as fit for all the branches of manufacture which employ the Italian organzine ; but they have, notwithstanding, constantly found a ready and liberal market ; and such sorts of them as have proved sufficiently good for the purpose, have for years been thrown into organzine by individuals, and used in some parts of the riband manufacture. The quantity thus thrown has, for many years past, been gradually more and more ; nor could any thing have prevented it from rapidly increasing, but the neglect of the India Company in not furnishing regular and ample supplies of the silks adapted to that process.

It is a fact notorious to all conversant in the Silk Trade, that the fabrics of organzine even in Italy seldom attain the desired degree of perfection. A natural and important query arises therefore immediately : Is such perfection likely to attend the languid efforts of hired agents ? Left to the industry of individuals interested in bringing it to perfection, much has been done in this country ; and with silk fit for the purpose, much more may be expected.

Instead, however, of attending to these considerations, compatible both with their own advantage, and their duty to the Public ; instead of supplying our weaving manufactures, through the fair, usual and obvious channel of the trade ; the Directors of the Company, at the instigation of a few interested persons, have adopted, and seem inclined to persevere in an experiment, unproductive to the Proprietary, injurious to the silk-merchants and manufacturers, and pregnant with mischief to the community at large.

This

This project is no less than a determination, on the part of the "UNITED COMPANY OF MERCHANTS TRADING TO AND FROM THE EAST-INDIES," to commence *manufacturers* in Great-Britain, by *throwing their own silk* in large quantities, and in a number of mills hired by them in this country for that purpose.

The fallacious arguments adduced in favour of this alarming innovation will appear from the Company's Reports ; and the broad, candid, and unequivocal reasons by which it is opposed, will at the same time be submitted to the unprejudiced reader.

In the introduction to the First Report of the Committee of Warehouses, dated the first of February 1794, the views of the Company with respect to the scheme in question are thus cautiously and plausibly intimated :

" The East-India Company deeming it expedient to enlarge their imports of Bengal raw silk, a plan has been devised, the object of which is, to occasion an increased consumption of the commodity, by throwing some portion of it into organzine, to serve as a substitute for part of the organzine at present imported from Italy.

" The merchants, and others interested in the silk trade, have objected to the measure ; but there is reason to believe the intentions of the Company are not sufficiently understood. The publication of the following Reports, it is hoped, will correct any mistaken ideas, that may prevail in this respect. The plan is calculated not altogether  
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for the Company's benefit ; the interest of the country at large is also involved therein : it will be seen that Italy supplied of thrown silk,

	<i>Sm. lbs.</i>
In the year 1791 — — — — —	470,195
And in 1792 — — — — —	436,875
Average — — — — —	453,535

“ Of this quantity it is conjectured, that, if due care be taken in the selection of the cocoons, and a proper degree of attention be given to the first operation of the winding, at least two thirds of what is now brought from Italy, may be thrown in this country, from a raw material, the growth and produce of British territories. The throwing of 300,000 pounds of silk will create employment for at least 7,000 persons, nearly the whole of which may be taken from the parish workhouses, whereby an advantage will be derived to the country of not less than £70,000 per annum, at present expended in their maintenance. It is not in this point alone that the plan has been thought eligible. It is self-evident, that the riches and power of the nation are inseparably connected with the success of its trade and manufactures. True policy therefore dictates, that all practicable measures should be pursued for lessening the dependance upon foreign powers, for any of the materials of labour, of which we stand in need. In the great staple article of woollens (with the exception only of a few dying drugs), we have every thing within ourselves. Our cotton fabrics are materially assisted by our West-India islands. But in the silk trade, which in its various branches gives employment to perhaps not less than two hundred thousand persons, men, women, and children ; the supply of the raw commodity



commodity has been, until of late years wholly, and is now in great part, furnished from countries no otherwise connected with Great Britain, than through the medium of a commercial intercourse, which it is not impossible, under a continuance of the present distracted state of continental politics, may hereafter be rendered highly precarious."

This is the material part of the introduction, which is very speciously drawn up, and carefully avoids coming to issue on a point, that, in this discussion, must always be kept in view, namely, *The ILLEGAL and MISCHIEVOUS interference of the India Company in the INTERNAL manufactures of this country.*

The introduction commences with observing, that *the East India Company deeming it expedient to enlarge their importation of Bengal raw silk, a plan has been devised, the object of which is, to occasion an increased consumption of the commodity by throwing some portion of it into organzine, to serve as a substitute for PART of the organzine at present furnished from Italy: that the merchants and others interested in the silk trade have objected to the measure; but there is reason to believe the intentions of the Company are not sufficiently understood.*

How the language of the Committee gradually swells into all the confidence of enlarged speculation, will be seen in the examination of the subsequent Reports; at present, it will be sufficient to notice the arguments, or rather assertions, upon which the scheme is generally attempted to be justified. The remark in the introduction, that, in consequence of this plan, employment will be given to about 7,000 persons,

persons, who might otherwise be burdensome to their respective parishes, is an artifice that will not bear examination. The cant of benevolence and of public utility is not unusually, and is often too successfully, employed to impose upon the world, in favour of the projects of private interest. If the India Company do not import silks that are fit for organzine, where can be the demand for their commodity in that state? If, on the contrary, they attend to the culture and importation of the finer sorts, will not the throwsters meet with equal employment through the *regular* medium of the trade? There is no decent pretence then for the Company's interfering: it possesses no *exclusive* means of producing *permanent* employ: and if the most important branch of the silk manufacture should *continue* in the feeble state to which the Committee of Warehouses frequently allude in the course of their Reports, the Company will forfeit its promises of constant employ thus pledged to the Public, at the same time that it violates the laws which permit its own existence!

Some notice should be taken of the sagacity, with which the introduction observes, that "*it is self-evident, that the riches and power of the nation are inseparably connected with the success of its trade and manufactures; and that, therefore, all practicable measures should be pursued, for lessening the dependance upon foreign powers, for any of the materials of labour of which we stand in need.*"

The truth of the above proposition, and of the inference that accompanies it, is certainly "self-evident;" but how they can impart plausibility to the pernicious scheme under discussion, is by no means  
equally

equally obvious. Are not our manufactures already in proper hands, and will they not be taken proper care of?—It may be necessary, perhaps, to remind the Company, that if any thing can *disorder* and *destroy* the system, for the welfare of which they *pretend* so much concern, it is an overbearing and monopolizing attempt to break through the protecting lines of division, that are wisely drawn between the operative departments of the larger and the smaller commercial interests in a state.

The Company's Reporters are still less fortunate in the last of the general arguments with which they introduce their details on this subject; namely, that the *manufacturing schemes* of the Company ought to be favoured, because "the supply of the raw commodity has been, until of late years, wholly, and is now in great part, furnished from countries no otherwise connected with Great Britain, than through the medium of a commercial intercourse, which it is not impossible, under a continuance of the present distracted state of continental politics, may hereafter be rendered highly precarious."

Nothing but a blind pertinacity as to project, could have dictated the foregoing observation. Do the Company affect to believe, that their territorial possessions in India are settled on a firmer basis of tranquillity than those of the different governments of Europe? Has the power of the Company in the East been so *long*, or so *legitimately* acquired, as to preclude any apprehension of disturbance? Has it experienced no resistance from the NATIVE PRINCES of the vast continent where it exists? and does it offer no temptation to the enterprise  
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of our EUROPEAN ENEMIES? Wonderful infatuation, that will not recollect the exploits of Hyder Ally, nor be suspicious of the humility of Tippoo Saib, that watches not the cunning perseverance of Holland, nor anticipates the formidable ambition of France!

Let not the Company be deceived. The nature and the distance of their possessions in the East, render the connexion between them and this country of a much more precarious description than will apply to any of the European governments. The suspensions of intercourse produced by political agitations in the latter, will, doubtless, be temporary; for, after all, convenience and necessity will compel neighbours to be neighbours. But on the other hand, suppose a combined and powerful attack to be made on the Company's establishments in the East-Indies, and suppose such an attack to meet with internal co-operation from those warlike princes who have always been hostile to the Company's power, and from others who have apparently submitted to it—In such a predicament, what could save the British possessions in India? They would probably pass from their present masters for ever; and our subsequent commerce, if any, with that part of the world, would be of a very different kind from that which has taken place through the medium of the East-India Company.

These remarks are intended in the way of admonition to the Company, rather than as necessary to refute the frivolous argument recently quoted. If the Company speculate on revolutions, they must be very shallow politicians indeed to imagine, that governors general,  
supreme

supreme counsellors, and chiefs of districts, would sit securely on their Oriental Thrones, while the crowns and the sceptres of Europe were trampled on the earth. No ; that may happen in *India*, which may not happen in *Europe*. Long-established and legitimate governments generally survive the storms that assail them from within or without ; but what is the species, and of what date is the prescription, of the Company's dominion, that it should be exclusively protected from attack or subversion ?

Thus far of the introduction, and its general apology for a scheme, the mischievous tendency of which, it is the object of this publication to expose. The FIRST Report of the Company's Committee of Warehouses is chiefly occupied with comparative statements of the various different quantities of thrown and raw silk imported into this country for the last twenty years, from Turkey, Italy, Bengal, China, &c. There is no dispute as to the accuracy of those statements, but they are totally unconnected with the cause of opposition to the Company's plan. It is however not immaterial to remark, that in the comments on the statements alluded to, several circumstances are mentioned which will be found to militate strongly against the measure recommended by the Committee\*.

It is stated, that the broad trade (the most important branch of the weaving business) has been greatly on the decline since the improvements that have taken place in our cotton manufactures.

\* First Report of the Company's Committee of Warehouses, page 4.

This observation is repeated in other parts of the Report, nor does it venture to insinuate a probability, that the trade of broad weaving is likely to be restored to its former flourishing state; the Company do not therefore display much sagacity of speculation, by persevering in their experiment upon organzine, while they are conscious that the market for the consumption of that article is so materially contracted.

But if the goods manufactured by the broad weaving trade should regain a considerable degree of the celebrity that their superior richness and elegance seem to demand, the weavers would betray a very limited conception of their own interest, if they were to patronize the consumption of the Company's organzine. It is not pretended by the most sanguine abettors of the Company's experiment, that their commodity can be expected ever completely to rival that of Italy: how then would the silk manufacturer, already smarting under the neglect of the Public, be able once more to fix the caprice of fashion in his favour, if he should imprudently substitute the dingy and woolly produce of Bengal, for the brilliant and firm staple of Italian organzine?

The Report also alludes to the many embarrassments, obstructions, and *heavy losses*, encountered by the Company in attempting to bring their silk to a quality fit for organzine: this is very natural, and might serve as a salutary check to the progress of their present plan of becoming manufacturers in this country. Great commercial companies cannot invade the province of the private merchant, or the manufacturer,  
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with impunity: their bulky property will inevitably be exposed to innumerable depredations, which cannot be committed on the smaller flock of the vigilant individual; and thus, while the Company dream of exploring new sources of opulence, their experiments are most likely to produce in the result nothing but loss and disappointment.

It may be asserted, by way of apology for the Company's scheme, that they will get a profit on the invoice, or cost price of their silk, and that therefore they can lose nothing by the experiment. The answer to this, however, is obvious; for the Company must lose the difference between the price they could get for their silk in its raw state, when purchased by the trade, and that which it would sell for as ORGANZINE, with all the expenses attached to the process under their inauspicious management. Should the Company persist in this scheme, the losses occasioned by it will, from time to time, as they occur, be stated to the Public\*.

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\* Vide 1st Report, page 15. Both the Proprietary and the Public at large may be convinced of the fallacy of the scheme by the following statement of the Company's experiments:—

<i>Average Bengal Raw.</i>	
September Sale, 1794.	
Raw Bengal frushard A. the highest average of raw in the sale sold at 31s. 4d. the great lb.	
Which is	20s. 11d. fm. lb.
Workmanship	7 0
Waste, supposed 10 per cent.	2 11
Amounting to	30s. 10d. fm. lb.

<i>Average Bengal Organzine.</i>	
September Sale, 1794.	
29 bales were sold at this sale in organzine, and averaged only at 26s. 7d. per small lb. though, by the opposite calculation, they really stand the Company in 30s. 10d.; so that here is a loss to the Proprietary of 4s. 3d. per lb. which, in 29 bales, supposing each to weigh 140 nett, amounts to £862 : 15s.	

March

Monopoly is, indeed, truly said to be an evil that destroys itself; but that is no reason why the silk merchants (many of whom are interested as proprietors of India stock) should be silent witnesses of the dilapidations made by experiments on property in which they are individually concerned.

After this remark, it is but candid to state that, according to report, a majority of the Directors were at first against the measure complained of; but the Committee of Warehouses persisting in their representations on the subject, the Court were induced to assent to the proposal of the Committee, out of compliment to the superior knowledge of the undertaking they were supposed to possess.

<i>Average Bengal Raw.</i>	
March Sale, 1795.	
Frustrards A. as before recited,	31s. 8d.
Which is - - -	21s. 1d. fm. lb.
Workmanship, at 7s. -	7 0
Waste, supposed 10 per cent.	3 0
Amounting to -	<u>31s. 1d. fm. lb.</u>
September Sale, 1795.	
Frustrards A. as before.	30s. 6d.
Which is - - -	20s. 4d. fm. lb.
Workmanship, at 7s. -	7 0
Waste, supposed 10 per cent.	2 10
Amounting to -	<u>30s. 2d. fm. lb.</u>

<i>Average Bengal Organzine.</i>
March Sale, 1795.
65 bales organzine, sold at this sale in organzine, and averaged only at 27s. 9d; loss per lb. being 3s. 4d.; and the loss on the 65 bales amounting to £1,517 : 15s.

September Sale, 1795.
60 bales organzine, averaged only 26s. 6d.; loss per lb. being 3s. 8d.; loss on this sale of 60 bales being £1,540, and the total loss on the three sales amounting to £3,920 : 10s.

This calculation is founded on the highest priced bale of raw silk sold in each sale; nor can such a mode of calculating be deemed in the least unfair, when it is considered that the Company have always selected the best in every respect for the organzine; so that the best filature, or bales, sold in the *raw*, may consequently be concluded not to be equal either in quality or size to those selected and worked by the Company into *organzine*.

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The remarks on the First Report may very properly be concluded with an account of a transaction\*, in which the Directors of the Company discovered a strange insensibility to the distressed state of the silk trade, and even to the obvious interest of their own proprietors.

In February 1793, when the alarming debility of private credit attracted the interference and support of the legislature, there was a sale of 2,210 bales of Bengal silk at the India-house. In vain did the silk trade previously apply to the Court of Directors to reduce the quantity; urging the scarcity of money to buy with, and that two thirds of the quantity proposed for sale would probably produce a nett receipt greater than the whole, if obstinately put up. These cogent reasons had no effect on the predetermined wisdom of the Directors; the *whole quantity* was put up, and sold for such low prices as to occasion a loss to the Company that cannot be estimated at less than £50,000. This bungling transaction was productive of equal mischief to the trade, as the silks in question were bought by monied speculators, who subsequently resold them at a profit of nearly cent. per cent.!

The Directors, instead of feeling compunction for their conduct to the silk trade, at the above period, have founded † their present scheme, to do it further injury, upon the circumstance of the languid sale which then took place; a circumstance that obviously arose from the peculiar crisis of the times, and the imprudent obstinacy of the Directors: surely their *sagacity* THEN, can only be equalled by their *candour* NOW.

\* Vide 1st Report, pages 19 and 20.

† Ibid. page 22.

The SECOND REPORT briefly pursues the object and the reasoning of the FIRST.

It states further losses on the Company's sales, and *modestly* urges the necessity of *abolishing* the ITALIAN TRADE, by forcing the consumption of Bengal organzine. The Report concludes with a recommendation to select a certain quantity of silk for the purpose of carrying this project into immediate execution.

In the THIRD REPORT of the Committee of Warehouses, which is dated the 30th December 1795, the schemes of the Company are still more explicitly avowed; and the *indefinite* extent to which they are intended to be pushed, is asserted in a tone of boldness, that forms no very creditable contrast to the insinuating caution of the Company's former professions on the subject\*.

Though

\* The first intimation of the Company's project excited a very natural emotion among the silk trade; and the following notice, purporting to be explanatory of the intentions of the Company, was issued under their authority, with an obvious view to disarm and lull to sleep the suspicions occasioned by their conduct:

“ East-India House, February 5, 1796.

“ The Court of Directors of the United Company of Merchants trading to the East-Indies, understanding that many persons in the silk trade consider the proposed measure of throwing some part of the Company's future imports of Bengal raw silk into organzine, to be in no other degree objectionable, than as it may lead the Company hereafter to engage in the throwing of singles, trams, and sewing-silks, or other branches of the silk manufactures; they think it proper thus publicly to state, that, in devising this plan, they have no view whatever, beyond creating a vend for the considerable additional quantity of raw silk the Bengal provinces are found to be in a situation of affording, more than what the demand at their sales appears to have required in the usual and ordinary modes to which

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Though in this respect the *candour* of the Company is by no means discernible, it was undoubtedly a specimen of their *prudence* not to throw off the disguise of *small* and *humble* experiment, while uncertain whether their plan would meet with any encouragement; but having, at last, by very diligent canvass, obtained the equivocal suffrages of some gentlemen in the *riband branch* of the weaving business, they come forward with an air of confidence, and pretend, in *general* terms, to have received the unbiassed testimony of the principal manufacturers to the expediency of organizing Bengal silk!

The delusion which the Company have here practised on themselves and the Public, will be exposed in the following examination of the Report, and its auxiliary testimonies.

the article has been hitherto applied. The Court do also further declare it their intention to put up at their future sales, a sufficient supply of raw silk to meet the demand for singles, trams, and sewings; and that they will cause to be thrown into organzine, only such surplus quantity as they may be able to import, more than shall be adequate to the above supplies.

“The Court have no wish to divert any of the operative processes in the silk line out of their usual channels. It is a well-known fact, that the existing silk mills, which are competent to the throwing of organzine, have, during the last 20 years, been frequently at a stand for want of employment; notwithstanding, within that period, the import of thrown silk from Italy and other parts has exceeded 7,779,000 pounds weight, or on the average 388,900 pounds per annum. By the adoption of the proposed plan, these mills will be secure of constant work, to the great advantage of their respective proprietors: and as the plan proceeds, and the prospect of employment is rendered permanent, there can be no doubt, but, by the exertions of individuals, their powers will be enlarged to the full extent of the object in view.”

Signed by the Secretary.

## THIRD REPORT.

THE expediency of devising some means for extending the Company's sales in the article of Bengal raw silk, and the way in which it was judged this might probably be effected, were stated at large in your Committee's Reports of the 11<sup>th</sup> February and 21<sup>st</sup> May 1794; and the Court having, on the 3<sup>d</sup> June following, given their sanction to the proposition therein recommended, for ascertaining, by the test of an experiment upon a broad scale, how far Bengal raw silk, when worked into organzine in this country, could be successfully introduced into any branch of the silk manufactures in lieu of the thrown silks at present imported from Italy; your Committee forthwith took the needful measures for carrying the same into effect.

Engagements were accordingly formed with the proprietors of several silk mills in various parts of England, who readily undertook to perform the needful operation; and in result, 29 bales, containing 3,770 sm. lbs. were executed, and offered for sale with the silk declared for 25<sup>th</sup> February 1795.

## REMARKS.

THE intention here avowed by the Company, of endeavouring to abolish the Italian silk trade, is not less hostile to the revenue of this country, than to the prosperity of its manufactures. Upon every pound of Italian *organzine* imported, there is paid a duty of 7s. 4d.; whereas all *raw silk* pays no more than about 3s. per lb. a deficiency that would be severely felt in times when the supplies of revenue are of such extreme consequence.

By the language of the Report, the Public might perhaps be deceived into a notion, that the experiment here alluded to is the first that has been tried on Bengal silk; this, however, is by no means the case; there is no such novelty in the attempt: for as long since as the year 1787, a respectable silk merchant worked a quantity of a sort as fine as any the Company ever tried. This organzine

was

## REMARKS.

was put to work by a capital manufacturer in the broad line in Spital Fields, whose purpose it evidently did not answer, as no more than 10lb. of it was used. Another gentleman in the trade also, in the year 1792, organized a quantity of Bengal silk, which was tried by a broad weaver in the same place, and who had engaged the whole of two bales; but a cane or two being put into the loom, it was found not to answer, and was obliged to be cut out and used in the manufacture of inferior goods. This silk was as fine and as good in quality, as any the Company ever imported; and yet it was of too inferior staple to be used as organzine in the broad trade; the Company, therefore, should not have confined their experiments and inquiries to the riband-weaving branch only, which, in point of importance, is well known to be inferior to the broad trade. This palpable omission is, however, most probably, not to be attributed to negligence in the Company; it may be their object to introduce a general consumption of Bengal organzine, under the patronage of the riband manufacturers, and after having by degrees weakened or destroyed the Italian trade,

## THIRD REPORT.

In your Committee's Report of the 26th February last, they communicated a detail of the unpleasant discussions, that took place at the opening of this sale, in which the propriety as well as the legality of the Company's proceedings were strongly combated by some of the buyers interested in the Italian imports. But as your Committee have good reason to believe that much of the opposition which then prevailed arose from mistaken ideas, both with regard to the object itself, and the motives by which the Company were governed in embracing it; and as the needful information on these points has already been afforded by the publication of your Committee's before-mentioned Reports, it becomes only necessary in this place to observe, that the controversy terminated in a declaration from the chair, that the

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## REMARKS.

trade, to compel the broad weavers to use a commodity, which they know, or ought to know, would render the fabrication of their goods much inferior in strength and richness to that produced from the present materials.

The manner in which this sale was conducted appeared to bear as little respect to *legality*, even with relation to the Company's own bye-laws\*, as the whole scheme in question does to the tenor and spirit of the chartered stipulations between the Company and the Public.

It is to be remarked that this paragraph of the Report very freely attributes the opposition it states to have taken place at the sale, to "mistaken ideas;" but the Committee do not condescend to explain in the least what those mistakes were. Here then is a charge without a shadow of proof. Opposition was certainly made; but the gentlemen from whom it came trust that this statement will convince the Public, that their notions on the subject were neither confused nor mistaken; and that their conduct with respect to the

\* Contrary to an express provision in the Bye-laws of the Company, *their* agent sat as a broker during the above sale.

## THIRD REPORT.

## REMARKS.

Company's views were for the present confined to the experiment then on hand, which was limited to 200 bales; but if eventually they should see it advisable to proceed further in the concern, they would give public and timely notice of their intentions.

With this adjustment the sale took place, and the 29 bales sold at from 25s. 8d. to 28s. 8d. the fm. lb. of sixteen ounces, or on an average 26s. 4d.

At the next sale, on the 26th of August following, 65 bales, wt. 8,775 lb. were sold from 24s. 2d. to 30s. 8d. averaging 27s. 9d.; and there will be in readiness for the ensuing sale a further quantity of about 70 bales.

Having thus succeeded in getting a considerable quantity of the commodity into the market, and disposing of the same at prices that afforded no room for discouragement, your Committee were next anxious to learn in what degree of estimation it was held by the various manufacturers who had taken it into use: and in this respect your Committee feel a pleasure in

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the Company is dictated by principles of more extensive utility than the mere suggestions of private interest.

The Committee of Warehousees have little reason to exult in their project, for the success to which they here allude is merely ideal. It may confidently be maintained that without the Company's interference at all, not a pound less in quantity of their silk fit for the purpose, would have been worked into organzine by the *regular* trade; and if the Company had calculated the loss arising from the sale of their silk in organzine, instead of selling it as heretofore in the raw, as proved in the Remarks, page 13, it is presumed they would have found abundant room for discouragement.

The *ample* testimonies in favour of Bengal

## THIRD REPORT.

congratulating the Court, that the issue has been equal to their most sanguine expectations. Your Committee have received, from several respectable houses, the most ample testimonies in favour of its quality and fitness for their purposes, particularly in the riband branch, the whole of which would be too voluminous to be inserted in the body of this Report; your Committee have therefore selected one for the Court's more immediate information, and the remainder will be subjoined in an Appendix.

*Copy of a Letter from Messrs. Stanbridge and Tagg, on the Subject of Bengal Organzine Silk.*

Mr. Wiffett,

SIR,

When first the organzining Bengal silk was undertaken by the East-India Company, we were among the number who opposed the measure, from a want of having properly weighed the motives that induced the Company so to do, and the probable consequences that would result therefrom; but since then having received better information, and having also used a  
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Bengal organzine, of which the Committee boast so much, will not bear a strict examination; it will be seen that every letter on the subject is equivocal, and insinuates that the silk is too coarse, even for the use of the riband trade. With respect to the *manufacturing* of the Company's silk, it is a circumstance well known, that, in the last sale, a bale of this organzine was bought in by their own agent, being so badly worked as to be totally unfit for use.

There is an obvious inconsistency in this letter. Why should the gentlemen whose names are subscribed to it, wish to supersede the use of Italian organzine, when they can only go the length of asserting that Bengal organzine will answer the purpose, "*if fine enough?*" Whatever quantity of it they may have purchased of the Company, there can be no doubt but that if they were asked the question, whether they have not used equally good Bengal organzine, thrown by the trade? their answer would be in the affirmative. The merit of the Company is in this respect, therefore, by no  
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very large quantity of the silks (perhaps more than any one house), particularly of the last sale, we have now altered our opinion, and cordially thank the Company for commencing the business, believing it will in time prove a national benefit, and if carried to great extent, and strict attention be paid to organzine only the very finest silks, there can be no doubt of their (in a great measure) superseding the Italian thrown silk; as, if fine enough, they are as fit for use as any Italian thrown silk whatever.

We are, &c.

STANBRIDGE and TAGG.

No. 119, Wood-street.

Messrs. Holmes & Co. of Friday Street;

Mr. Jn<sup>o</sup>. Ingleby of Wood Street;

Wm. Wilberforce Bird, Esq. of Coventry; and

Messrs. Fynney and Badnall,  
Sleigh, Allsop and Co. } of Leek;  
Phillips and Ford,  
Mr. John Sutton,

all speak equally decisive as to its qualities, and the certainty of its coming into extensive demand, provided it be duly attended to. In short, your Committee have reason to believe, that

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means conspicuous. They cannot work their silk *better* than the trade, as they cannot employ the mills of the first reputation for workmanship; and if the silk were possessed of so much fitness for the higher branches of manufacture, it would find its intrinsic value, regularly through the hands of the trade, with much greater advantage both to the Company and the manufacturer. The manufacturers also, or at least a majority of them, cannot afford to pay *ready money* for all their warp silks; and this they must do if they purchase of the Company; but on the contrary, they can obtain from the silk merchants a *credit* of *ten months*. The eligibility of this accommodation, and that of the competition of the sellers, as to the prices and quality of the article purchased, are too great and too obvious, not to operate strongly against the Company's undertaking. It is impossible that the silk manufacturers in general can avoid perceiving that their independence, and all the other advantages they now enjoy as purchasers, are in danger from the manœuvres of the Company to invade the manufacture, and monopolize the sale of organzine.

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that throughout the riband trade, there is but one opinion on the subject.

By a reference to your Committee's Report of the 1st February, before alluded to, it will be seen that the quantities of Bengal silk sold at the Company's sales in the five years ending 1792, did not exceed, on the average, per annum, 338,757 *fm. lbs.* It appears however by a continuation of the account to the present period, that, owing to the silk trade having taken a favourable turn, a gradual increase has been effected, as

	<i>fm. lbs.</i>
In 1793, the quantity sold was	368,314, and
1794, - - -	387,958

The extent of the sales for 1795 cannot at present be ascertained, only the March sale having yet taken place; but judging from the quantity then sold, and what is now about to be declared for the approaching sale, it may probably reach 450,000 *fm. lbs.* Flattering, however, as this increase may appear, it falls very far short of what Bengal, from its present flourishing situation, is stated to be capable of affording;

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This is a very disingenuous statement the part of the Committee, who must be conscious that the quantity of silk sold depends on the Company rather than the trade: it being impossible for the latter to buy more than the Company think proper to put up: the Committee choose to forget this circumstance in alluding to the average of five years sales ending 1792; but had the Company brought forward for sale in 1792, a quantity equal to that they insisted on putting up in the calamitous period of 1793 and 1794, it would have been readily purchased by the trade. The Public will therefore be upon their guard against the impression of statements, connected with facts of which the Committee are unwilling to take notice.

In the second note to this passage of the Report, the consumption of Italian thrown silk in the riband manufacture, is stated to be from 200,000 to 250,000 pound weight per annum. This however is a statement which the Committee have founded upon the most extravagant and artificial calculations

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The imports in 1793 appear-	<i>fm. lbs.</i>
ing to be - - -	736,081 &
in 1794 - - -	521,460
* Average - - -	628,770

Your Committee therefore consider themselves warranted in assuming, that Bengal is competent to the immediate annual supply of from 600,000 to 650,000 lbs. of silk in the raw state, or say, from 150,000 to 200,000 lbs more than the consumption in the usual and ordinary modes hitherto in practice appear to require; and they are equally sanguine in believing, that if the whole of this quantity is brought home and organzined in this country †, it would at once find a ready and advantageous sale, and thereby contribute very materially not only to the interest of the Company, but that of the nation at large,

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lations in their power; no allowance is made for any capricious turn of fashion, which may probably nearly discard the use of ribands ‡: such a circumstance would lessen the value of the Company's stock of organzine by £20 per cent.; comparatively with the price their raw silk would produce, as the latter might be thrown into two and three thread trams, and applied to proper uses in the regular course of other branches of the trade. The Committee frequently hold out the specious assertion, that their plan would make a considerable addition to the employment of the poor; but the fallacy of this assertion has been more than once demonstrated; and the poor may with much more safety rely on the exertions and competition of private individuals, than on the pre-

\* The imports for the season 1795 cannot at present be made up, the whole of it not being yet arrived; the quantity however will be short of that of the two preceding seasons, in consequence of the orders from hence, directing the Government of Bengal to curtail their provisions until it should be seen how far the sales were capable of being extended.

† It is computed that, in the riband branch only, the consumption of Italian thrown silk is from 200,000 to 250,000 lb. wt. per annum; which, if worked in this country, would contribute an addition to the labour of the poor of, say, from seventy thousand to eighty thousand pounds per annum.

‡ The riband trade has recently experienced a great portion of neglect from that caprice in fashionable taste, to which it seems exposed more than any other species of manufacture.

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large, by adding to the value and importance of the British possessions in India; and in affording employment to some thousands of the industrious poor of the country.

In the early stage of this business, your Committee were doubtful whether the throwsters would be inclined to lend their assistance in carrying the measure into effect; but your Committee have the satisfaction of stating, that they have experienced no difficulty whatever on this head. Various mills, in different parts of the kingdom, have already been engaged in working the commodity, and the proprietors have manifested their willingness to enlarge their powers, and to erect new mills, to any extent for which there may be a reasonable prospect of affording a permanency of employment.

From a due consideration of these circumstances, your Committee have no hesitation in submitting to the Court as their opinion, that, with the declaration of silk now about to be published, notice be given, That the Company, feeling the measure of throwing some portion of their future imports of Bengal raw silk into orgazine, to be pregnant with the most

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precarious promises of the East India Company, whose plans are liable to change on every change of Directors.

The acquiescence of the throwsters may be traced to the natural source--an advanced price. The permanency of employment held out to them, hangs by the same thread as that promised to the poor, and is equally fallacious.

The Committee conclude their Report with a full persuasion of the propriety of the measure it recommends. It would, however, become the Court of Directors, as the guardians of the Company's property, vigilantly to take care that no part of it becomes a prey to the schemes of speculating individuals. It is known that the Directors are not without experience on the subject, as the abortive scheme of selling their own teas sufficiently exemplifies: the present instance will, most probably, add in a similar way to the Company's experimental wisdom; and after doing much mischief to themselves, and still more to the silk trade, they will be compelled to abandon a project, not less unprofitable than unjust.

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beneficial consequences in every point of view, whether considered politically or commercially, as embracing not only their own interests, but that of the country at large, it is their intention to prosecute the same to as great an extent as from time to time shall be thought expedient.

STEPHEN LUSHINGTON,  
DAVID SCOTT,  
THOMAS THEO. METCALFE,  
PAUL LE MESURIER,  
THOMAS FITZHUGH,  
ABRAHAM ROBARTS,  
ROBERT THORNTON.

*East-India House, 30th Dec. 1795.*

## APPENDIX TO THE THIRD REPORT.

*London, 24th July 1795.*

GENTLEMEN,

Having received a letter from Mr. Wiffett, requesting I would transmit to you my opinion respecting the quality and future consumption of Bengal organzine;

I beg leave to say, that, having made use of some lots of the last sale, I am of opinion, that it will answer very well for the purpose of the riband manufactory; and that, if it is furnished

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Mr. INGLEBY's letter does not give the Company's organzine any encouragement on the *broad* scale of consumption, but merely intimates, "*that, if it is furnished of suitable sizes,*" it will answer for the riband manufacture. The same objection of partial testimony applies to the letter from Mr. BIRD; and it is particularly to be remarked, that notwithstanding his apparently

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nished of suitable sizes, the future sale of it may be very considerable.

I am,

GENTLEMEN,

Your most obedient Servant,

JOHN INGIEBY.

*Hon. Committee of Warehouses.*

*Coventry, 24th July 1795.*

SIR,

Having received a letter from Mr. Wislett, requesting my opinion of the Bengal organzined silk which I bought at the February sale of the India Company, I have no hesitation in desiring you to acquaint him, that I know of no purpose in the riband manufactory to which Bengal organzine may not be applied, if great care be taken in selecting the finest and highest coloured raws for the purpose. The organzine silks of the February sale are considerably too coarse; and I should recommend it to the Company to bring to market no organzine Bengal, coarser than the finest of the February sale. Of the finest of that sale, and of as much finer as possible, the riband trade could largely consume; and, as I presume they would be brought to market at least two shillings per pound under the Italian of the same size, I  
for

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rently warm approbation of the Company's plan, he urges the great care necessary to be taken in selecting the silk for organzine, and complains of the extreme coarseness of that put up at the February sale. From this it may be inferred, that, even in the opinion of the patronizers of the Company's undertaking, their organzine silk cannot, without time, difficulty, and the most scrupulous selection, be rendered fit for the limited consumption of the riband trade.

The sophistry about adding to the employment of the poor, has already been exposed in the strictures on the Company's Reports. It is really astonishing that so much concern should be expressed for the poorer sort of people, and that no feeling should be shown for those intermediate classes, upon which the prosperity of the industrious commonwealth so materially depends!

At the conclusion of this letter the supplies of Italian silk are said to be interrupted by the war; but that is not the fault of the merchants; they have not omitted every exertion to remedy the inconvenience. It surely cannot be necessary again to point out how obviously a similar suspension of intercourse may happen to impede a supply of the Company's silks.

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for one, should certainly give them the preference, and there is no doubt but that the whole trade would do the same. For the nicer works of the manufactory, and for a white colour, they do not at this moment appear (nor are they) of a quality sufficiently rich and good; but I should imagine the various climates of India might produce raw silk adapted even for these works, and I sincerely hope it may so prove; for you know my opinion has ever been, that the India Company, by this manufactory, *will do double benefit; first to the country, by the employment of the poor, and then to the manufacturers, by not allowing them to be at the mercy either of the merchants, or of the war, for a due supply, a misfortune under which we notoriously labour at this moment of my writing.*

I am  
Your's truly,

W. WILBERFORCE BIRD.

*Friday-street, 24th July 1795.*

GENTLEMEN,

We were favoured with Mr. Wiffett's letter, requesting us to give our opinion on the Bengal organzine silk, purchased at the India Company's sale in February last. We have tried them  
in

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in our different manufactories, and find them good in quality, and take the dye exceeding rich and bright, in all colours except white. We think they will be applicable in the different manufactories we carry on, when the sizes suit, and answer all the purposes of Italian organzine, except for white goods; and we hope the India Company will *pursue the laudable plan* they have begun, with all the exertions in their power, *as it will not only employ the poor of this country, but give the manufacturers choice of two markets instead of the Italian only.*

We are,

GENTLEMEN,

Your obedient and humble Servants,

JOS. HOLMES and Co.

*The Hon. Committee of Warehouses.*

*Leek, 23rd November 1795.*

The undersigned riband manufacturers of Leek, having made repeated trials of the East-India Company's Bengal organzine, are of opinion that it has been of great service, and if finer silks are thrown, it will certainly be more so. They therefore anxiously hope, that in future the Company will  
*bring*

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These letters contain nothing more in point of encouragement to the Company's scheme than those preceding. If in one part the writers give their testimony in favour of Bengal organzine, in others that testimony is weakened by vague and equivocal expressions. "*We think*" the silks will do, "*when the sizes suit,*" and "*if finer silks are thrown,*" &c. The Public will, doubtless, not fail to observe, that during the whole of this ambiguous evidence, by which the Reports of the Committee are thus bolstered up, the BROAD TRADE is kept  
entirely



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<i>bring a more ample supply into the market, particularly of a finer size.</i>	entirely out of sight, and a few riband weavers * have taken upon themselves
(Signed) PHILIPS and FORD, FYNNEY and BADNALL, SLEIGH, ALSOP, and Co. JOHN SUTTON.	to decide on the eligibility of a measure, which must strongly operate on THE WHOLE MERCANTILE AND MANUFACTURING SYSTEM OF THE SILK TRADE.

The Committee of Warehouses well know that the BROAD WEAVERS cannot, in truth, allow Bengal organzine to be fit for their use, while there exists a choice between that and the Italian. The Committee forbear, therefore, to allude to the broad trade, till they shall have succeeded in destroying the alternative: this they may conceive to be dexterity; but it behoves the Company seriously to consider whether they are not in danger of becoming dupes to their own views, by erecting a lofty and expensive fabric of monopoly, on a foundation which has neither breadth nor firmness.

To preclude any charge of unfair selection, the Company's Third and principal Report on this business has been given at length. It may be seen that the Company do not come to issue, on the most important objections to their plan; but though it has been judged by the silk trade both safe and expedient to oppose the Company, even on the partial and

\* No personal disrespect is meant to these gentlemen. There is strong evidence that their testimonies in favour of the Company's organzine were obtained by misrepresentation and surprise, some of them having publicly and pointedly expressed their disapprobation of the use that has been made of their letters.

bye

by ground which themselves have chosen, it is by no means intended to relinquish those general and strong principles of opposition that render this dispute peculiarly interesting to the mercantile public.

The Company, in throwing their own silk, must be considered as violating at least the spirit of their charter ; for though no express prohibition of such a measure can be adduced, yet the very title of the Company, namely, that of MERCHANTS TRADING TO AND FROM THE EAST-INDIES, the views with which it was incorporated, and those under which its present existence is permitted, cannot be extended farther in construction than to recognize the Company as an efficient and responsible commercial medium for exporting and importing large quantities of various valuable commodities. It is highly improbable that any project, on the part of the Company, to commence *manufacturers* in this country, ever entered into the contemplation of the legislature, nor does it appear that any tacit encouragement to the purpose can be fairly inferred. When the last renewal of the Company's charter was under discussion in Parliament, the expediency of continuing the exclusive privileges of the Company was strongly disputed, even in a *mercantile* point of view : how much more then would it have been exposed to the fate of annihilation, had an idea of its intended interference in our manufactures at all prevailed ? The legislature has already displayed much spirit and propriety, in placing the most important parts of the Company's establishment under the control of Government ; and it is to be hoped, that the same high authority, as guardian of the public welfare, will interpose, to check the monopolizing and illegal attempts of the Company in the present instance ;

for

for it should be remembered, that mercantile companies are incorporated for the benefit of the *Public*, as well as their own advantage; and in proportion as the former consideration is paramount to the latter, it becomes necessary to watch the conduct of such large trading bodies, with a jealous vigilance that shall the better secure the good intended to be produced by their institution.

The silk trade are not alone interested in opposing this innovation of the Company; for, should it succeed, who can tell to what a mischievous extent the practice of the principle may be carried? When the Company have once tried their strength, it will be at their choice and in their mercy, what branch of manufacture they will next invade—whether they will print their own *callicoes*; make their own *gunpowder*; wind, spin, and weave, their own *cottons*; bake and refine their own *sugars*; or even manufacture those articles fabricated from our staple domestic produce, and which, by their charter, they are obligated to export. A calamitous alternative would then be the lot of the persons who are now engaged in such manufactures: unable to trade to India, or to cope in this country with the gigantic strides of a *manufacturing* East-India Company, they must either abandon their pursuits, or be degraded into dependants on the *all-sweeping* monopolists by whom they are injured. Thus, evils similar to those which the engrossing of small farms has inflicted on the husbandman, would be severely felt by the individual merchant and manufacturer; and thus, the advantages resulting from the various energies and competitions of private capital in our manufactures, would be lost to the community.

There is another topic of great public concern, and which the conductors of this opposition to the schemes of the Company approach with anxiety, that the publication of their sentiments may not be misrepresented as a vehicle for extraneous political allusions. A sense of DUTY, however, conquers the reluctance excited by the fear of *prejudice* alone; and the DEEP INJURY that must arise to our CONSTITUTION, from the undisturbed progress of the Company's designs, shall be briefly hinted at.

It is a melancholy truth, that the purity of the British senate has been contaminated by the wealth of India.

This comparatively slight infection of the representative body, would be increased to an alarming degree, if the Company should extend their manufacturing projects: the unparalleled influence they would, by such means, command in the different towns and boroughs where their manufactories might be established, would entirely change the character of a House of Commons—would place in it as the minister of the day, a creature implicitly at their devotion, and would render the freedom and the legitimate powers of our venerable and happy constitution, subservient to the odious domination of a MERCANTILE ARISTOCRACY.

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